



May 26, 2004

Westerly auto dealer is charged with money laundering

Renato M. Garcia, owner of Renskip Motor Sales, is accused of structuring cash transactions to disguise drug-trafficking profits

A team of federal agents and local police yesterday arrested **Renato M. Garcia**, 35, of East Haddam, Connecticut, on a charge that he laundered drug-trafficking proceeds through his car dealership, Renskip Motor Sales, located at 150 Main Street, Westerly. Agents executed search warrants at Renskip and two residences – one in Westerly and one in Connecticut – and, pursuant to a seizure warrant obtained under asset forfeiture laws, confiscated Renskip's inventory.

The Office of the United States Attorney, Mark R. Trouville, Special Agent in Charge of the Drug Enforcement Administration, Joseph A. Galasso, Special Agent in Charge of the Internal Revenue Service, Criminal Investigations Division, Robin Avers, Special Agent in Charge of the Bureau of Immigration and Customs Enforcement, Westerly Police Chief Stephen Baker and Hopkinton Police Chief John Scuncio jointly announced a complaint charging Garcia with money laundering, which was filed yesterday in U.S. District Court, Providence but placed under seal until a court appearance by Garcia today.

The arrest, searches and seizure result from a multi-agency investigation by **Westerly** and **Hopkinton Police**, the **Drug Enforcement Administration (DEA)**, the **Internal Revenue Service Criminal Investigations (IRS-CI)**, and the **Bureau of Immigration and Customs Enforcement (ICE)**. Investigators of the **Rhode Island Adult Correctional Institutions** and

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the **Rhode Island Division of Motor Vehicles, Enforcement Division** also participated in the investigation. It began in June 2003 when a Westerly detective advised DEA of suspicions he had about Garcia's purchase of the automobile dealership and of his transactions there.

According to an affidavit by a DEA agent in support of the complaint, agents developed information that, when Garcia purchased the auto dealership in 2001, he paid \$30,000 in unreported cash in addition to the recorded price of \$180,000. Agents developed other information that Garcia had a history of storing large amounts of cash in various locations.

In February 2004, according to the affidavit, a man posing as a marijuana dealer bought a Ford Expedition from Renskip Motor Sales for \$15,000. Garcia accepted \$15,000 in cash from the man – noting that the cash smelled like marijuana – and recorded the purchase price as \$9,500. According to the affidavit, Garcia did so to “structure” the transaction – keep it below the \$10,000 threshold at which monetary transactions must be reported to the federal government.

On March 20, the same man, whose identity is not revealed in the affidavit, returned to Renskip to purchase a cargo van. An undercover DEA agent accompanied him. Garcia allegedly discussed the installation of secret panels in the van. According to the affidavit, the man gave \$15,000 in cash for the van and Renskip recorded the sale price as \$9,700. While discussing the sale of the van, Garcia allegedly discussed how to buy real estate in ways to disguise the actual purchase price and hide a cash transaction.

On April 2, the man returned to Renskip, again accompanied by the undercover DEA agent, and, according to the affidavit, bought a 1999 Toyota 4-Runner for \$17,500 in cash. Garcia had the sale price recorded as \$9,800.

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According to the affidavit, Garcia then showed the man some real estate in Westerly that Garcia had for sale. According to the affidavit, one location was at either 199 or 201 Main Street. Garcia allegedly discussed how to disguise the actual sale price of the property and hide an illicit \$400,000 cash transaction.

The complaint charges Garcia with a money laundering offense – conducting a transaction involving property represented as the proceeds of drug trafficking with the intent of evading federal reporting requirements. The charge is a felony and is subject to grand jury review. A complaint is merely an allegation and a defendant is presumed innocent unless and until proven guilty.

Garcia was held overnight at the Wyatt Federal Detention Center, Central Falls and appeared before Magistrate Judge Robert W. Lovegreen, who ordered him detained pending a hearing scheduled for June 1.

In addition to the complaint, the affidavit supported search warrants that the government executed at **Renskip Motors**, a residence at **21 Schilke Drive, Westerly**, and Garcia's residence at **32 East Haddam Colchester Turnpike, East Haddam, Connecticut**. Agents were authorized to search for, among other items, records reflecting auto sales, real estate transactions drug trafficking and money laundering.

Assistant U.S. Attorney Kenneth P. Madden, Assistant U.S. Attorney Stephen G. Dambruch, and Assistant U.S. Attorney Michael P. Iannotti are prosecuting the case.

-30-